



U.S. Department of Justice

United States Attorney  
Southern District of New York

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October 4, 2024

**BY ECF & EMAIL**

The Honorable John G. Koeltl  
United States District Judge  
Southern District of New York  
500 Pearl Street  
New York, New York 10007

**Re: *United States v. HDR Global Trading Ltd., a/k/a “BitMEX,”*  
24 Cr. 424 (JGK)**

Dear Judge Koeltl:

The Government respectfully submits this letter in response to the Court’s order dated October 3, 2024, instructing the parties to advise the Court whether they have reached agreement on the gain amount from the offense. The Court’s order advised the parties that if they are “unable to reach agreement, the Court will hold a *Fatico* hearing.” (Dkt. 31). The parties conferred on this issue this morning and have not been able to reach agreement on the amount of gain from the offense. Accordingly, the Government respectfully requests that the Court schedule a *Fatico* hearing. The parties also discussed a potential schedule for the hearing.


As explained in its October 1, 2024 letter (Dkt. 27), at the *Fatico* hearing the Government will present witness testimony summarizing and analyzing data from the Company, data obtained from other sources that has already been produced to the Company, and public blockchain data, to demonstrate that the gain to the Company was at least \$128 million, and in all likelihood was substantially higher. The relevant data is voluminous, and to present it in a format that will be most useful for the Court and for the defense, the Government expects that it will need to prepare certain summary charts and exhibits to accompany the witness testimony. Accordingly, the Government requests that the Court schedule the *Fatico* hearing for a period of 30 to 45 days from now. Additionally, due to travel and trial schedules, the Government’s counsel is not available from October 24-28, 2024, or from December 2, 2024, through January 10, 2025, so the Government respectfully requests that the hearing not be scheduled during those times.

The Company’s counsel has requested that the hearing take place within two weeks and that the Government produce exhibits and 3500 material by October 8, 2024. (Dkt. 32). The Government submits that it cannot reasonably produce these exhibits within four days, and requests that the Court schedule the hearing for 30 to 45 days from now, with production of exhibits and 3500 material one week in advance of the hearing.

As noted in the Court's order, the defendant's "objections to the Government's calculation was contained in a reply submission by the defense to the Government's sentencing submission." (Dkt. 31). In light of that background, the Government submits that its proposed schedule is a reasonable time frame for the parties to prepare to address the question of how much gain the Company earned from the offense, particularly given that these issues relate to interpreting and summarizing voluminous datasets.

Respectfully submitted,

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United States Attorney

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